

Program Letter

United States Railroad Retirement Board Office of Programs



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Date: November 2, 2007

TO: Certification Contact Officials

SUBJECT: Correction to 2007 IRS Form W-2

PURPOSE

This is to inform you that the Internal Revenue Service (IRS) notified the Railroad Retirement Board that there was an error in the 2007 Form W-2, Wage and Tax Statement, on the IRS Web site (www.irs.gov) as well as on some printed copies of Form W-2. We ask that you make this information available to your employees.

IRS FORM W-2 ERROR

For any 2007 Form W-2 downloaded before October 22, 2007, there is an error on page 4 under *Credit for excess taxes*. The Tier II RRTA tax withholding amount erroneously shows \$3,194.40. The IRS has since corrected the Tier II RRTA tax withholding amount from \$3,194.40 to \$2,831.40. **The maximum amount of Tier II payroll taxes that can be withheld during 2007 is \$2,831.40.**

EMPLOYEES AFFECTED BY THE ERROR

The information in question impacts employees who worked for two or more employers covered under the Railroad Retirement and Railroad Unemployment Insurance Acts during the year and may be eligible for a tax credit for any excess Tier II railroad retirement taxes withheld. Such tax credits may be claimed on an employee's Federal income tax return. Employees who worked for two or more covered employers should see Form 1040 or 1040A instructions and IRS Publication 505, *Tax Withholding and Estimated Tax*, for information on how to figure any excess railroad retirement tax withheld. In 2006, some 8,000 employees (about 3% of the total railroad work force) worked for more than one covered employer.

ADDITIONAL QUESTIONS

Contact the IRS for additional questions.